

# Lotis Blue Future of **Retail** Workforce Study

Real-time insights into attracting  
and retaining hourly frontline  
retail associates

**Overview:**

A comprehensive study of the retail workforce  
assessing decisions to *stay* or *quit* their jobs.  
Unbiased data from 1,000+ associates from  
nearly 700 retailers.



## The Retail Employee Experience

After years of post-pandemic volatility, retail sales have begun to stabilize, having a significant ripple effect on the job market and workforce dynamics. While retail turnover has similarly stabilized in the last 12 months, retail associate preferences and the factors driving retention continue to shift more quickly and significantly than ever before.

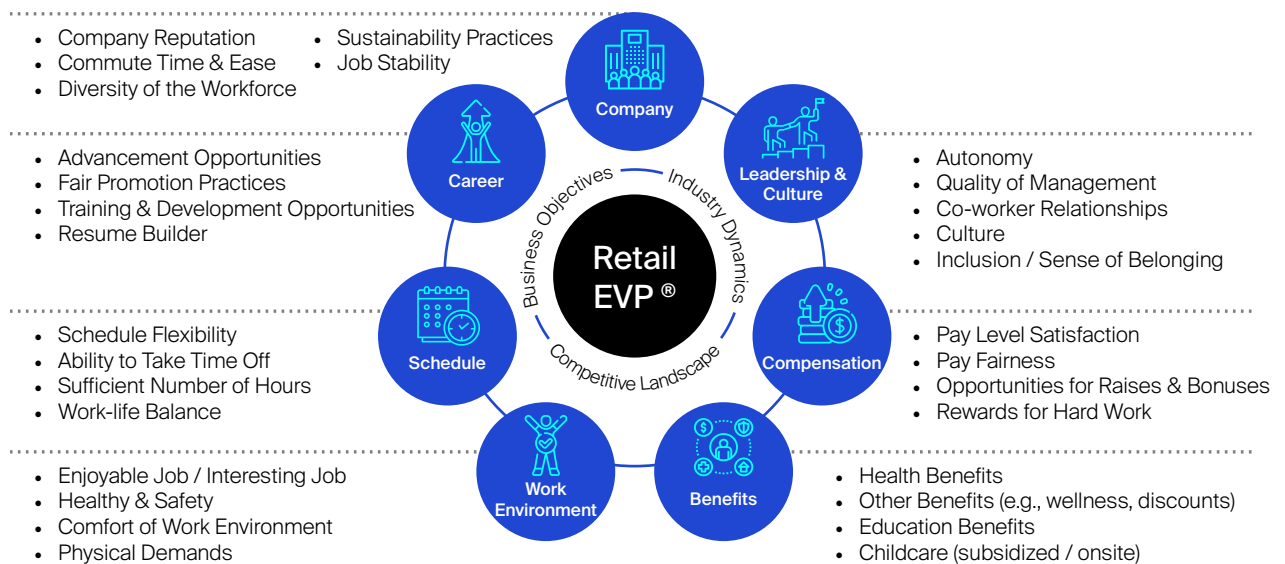
Leading up to the 2023 holiday season, Lotis Blue Consulting embarked on our third round of research into the Future of the Retail Workforce. This research uses comprehensive, unbiased feedback gathered from over 1,000 respondents across nearly 700 retailers and seeks to understand:

- How has the current macroeconomic environment influenced retention trends for the retail workforce?
- Which factors are becoming more important to employee retention and loyalty?
- How are the reasons for leaving a job changing over time?
- How do factors driving *quitting* and *staying* decisions differ by workforce and retail segment? (2023 Feature)

Lotis Blue has the most robust independent polling of the retail workforce regarding the factors most important to their decisions to *stay* or *quit* their jobs. Many “polls” use convenience samples from retailers’ satisfaction surveys, which creates a biased sample and limits the insight gained as the survey questions are heavily influenced by corporations and not framed around *stay* or *quit* decisions. Our robust longitudinal dataset includes objective feedback over the last three rounds of data collection.

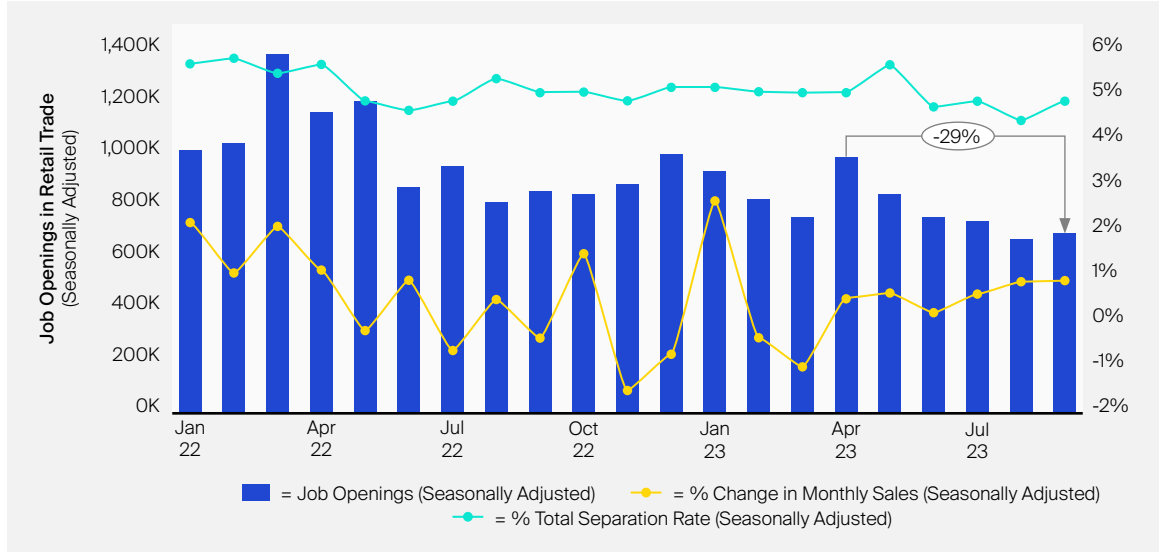
## The Employee Value Proposition

The Employee Value Proposition (EVP) represents “the offering” to employees and forms the underlying psychological contract between an employee and an employer. Our research is based on an EVP model that addresses 7 critical dimensions of the retail employee experience with 30 underlying factors.



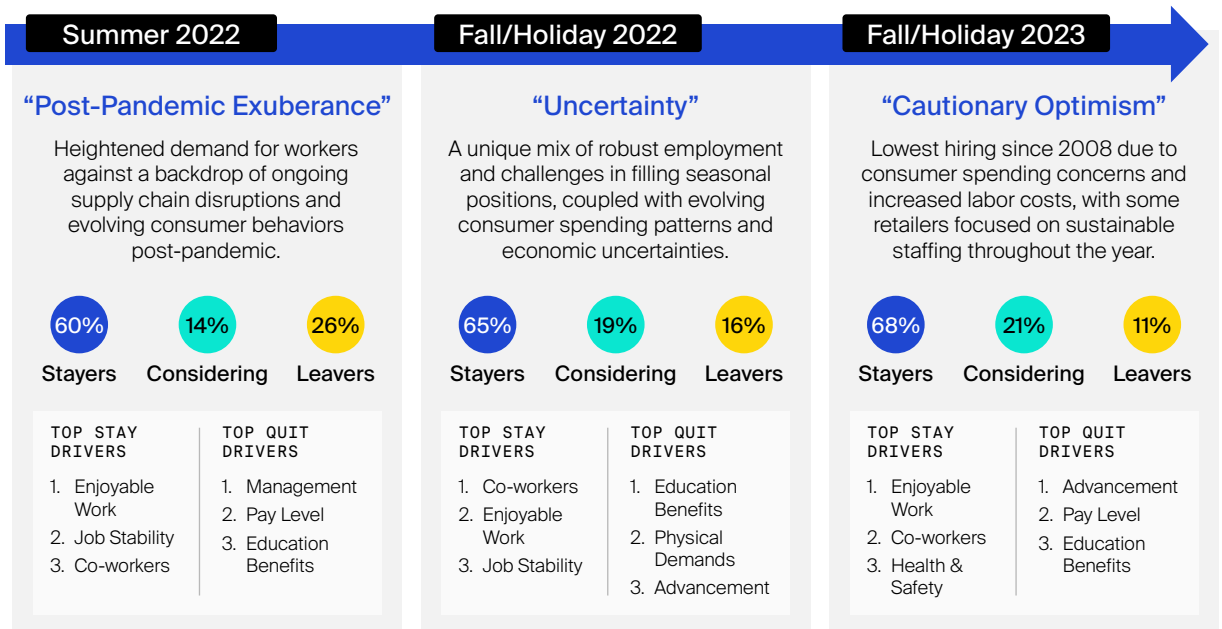
## Shifting Retail Labor Market Dynamics

Labor dynamics in retail have changed dramatically in the last 12 months with a tightening of the job market and stabilizing sales, coinciding with large shifts in attitudes towards work and employers. In Q3 2023, the number of retail job postings reached its lowest point since 2008, with demand for retail talent dropping by 29% in only 6 months.



## The Impact

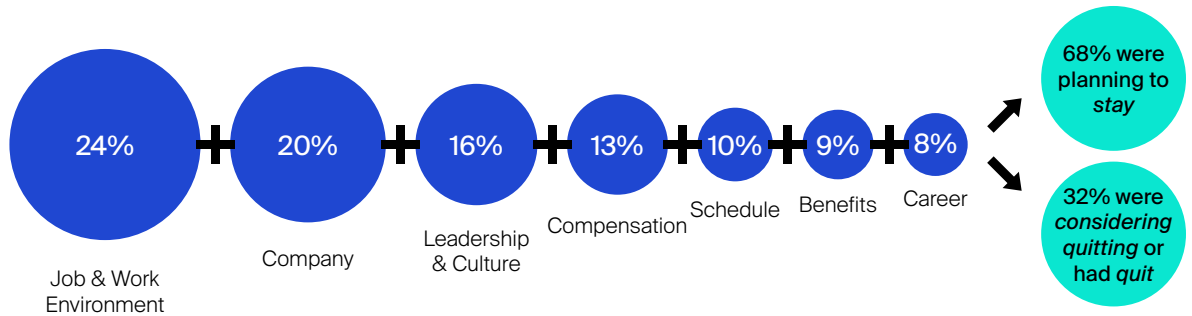
Shifting labor dynamics are an important backdrop for the collective consciousness of the retail workforce. Since summer 2022, more associates are staying with their current employers (a 8% increase), while there is a 7% increase in retail associates who are considering leaving their jobs, suggesting an underlying dissatisfaction with their current work situation.



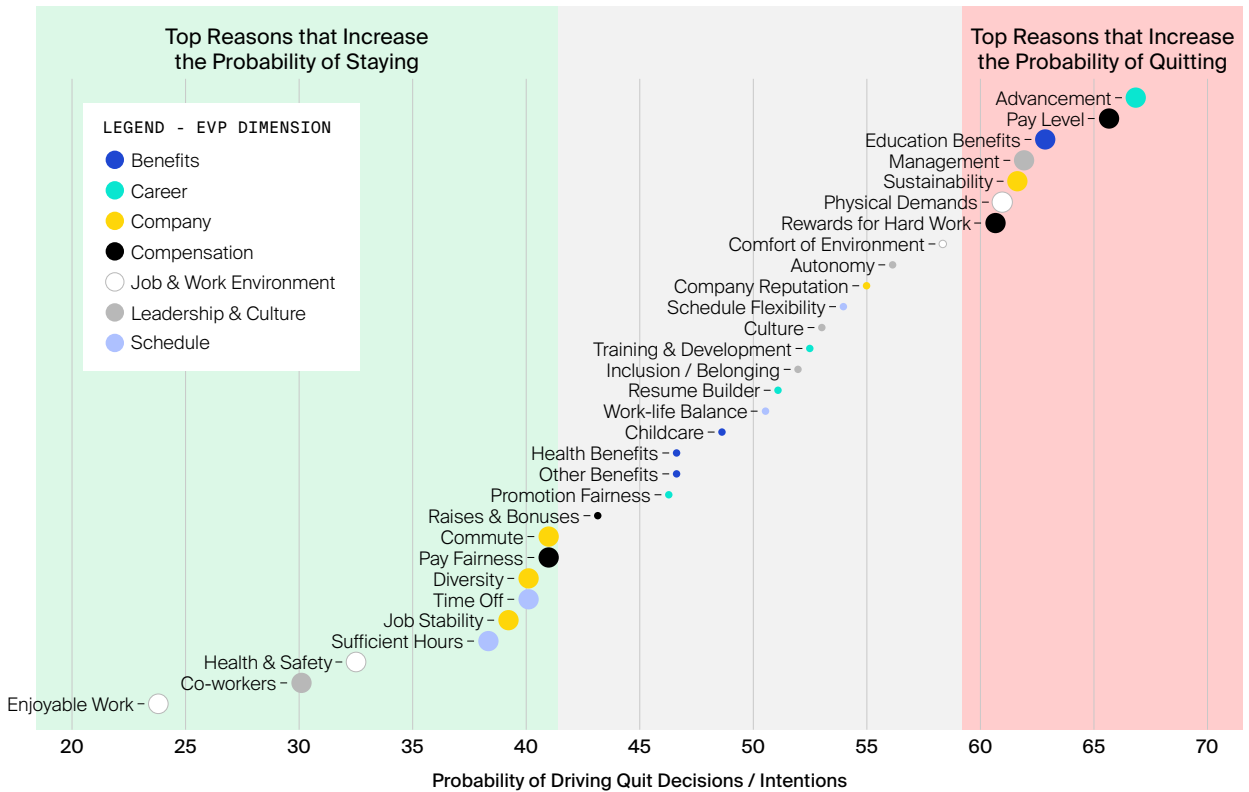
## What Matters Now to the Retail Workforce

Using a machine learning algorithm, we uncovered how associates' attitudes toward the Employee Value Proposition can accurately predict employment decisions. Our model can classify whether an associate is likely to *stay* or *quit* with 87% accuracy based on their attitudes about 7 dimensions and 30 underlying EVP factors. While talent strategies must be comprehensive and weigh multiple aspects, some factors matter more in creating a compelling and attractive EVP than others.

- Overall, 60% of the influence on whether someone *stays* or *quits* a job is driven by factors associated with the Job & Work Environment, Company, and Leadership & Culture.
- The top factors that drive *stay* and *quit* decisions differ across the three rounds of research conducted over the last two years as labor and market conditions have changed.



Some job factors create psychological “magnetism” that uniquely attracts and builds loyalty with talent, while other factors fundamentally “repel” associates and drive turnover. When educational benefits, pay, and advancement are perceived as less competitive, it repels associates. On the other hand, an enjoyable, safe job with strong co-worker relationships creates attraction.

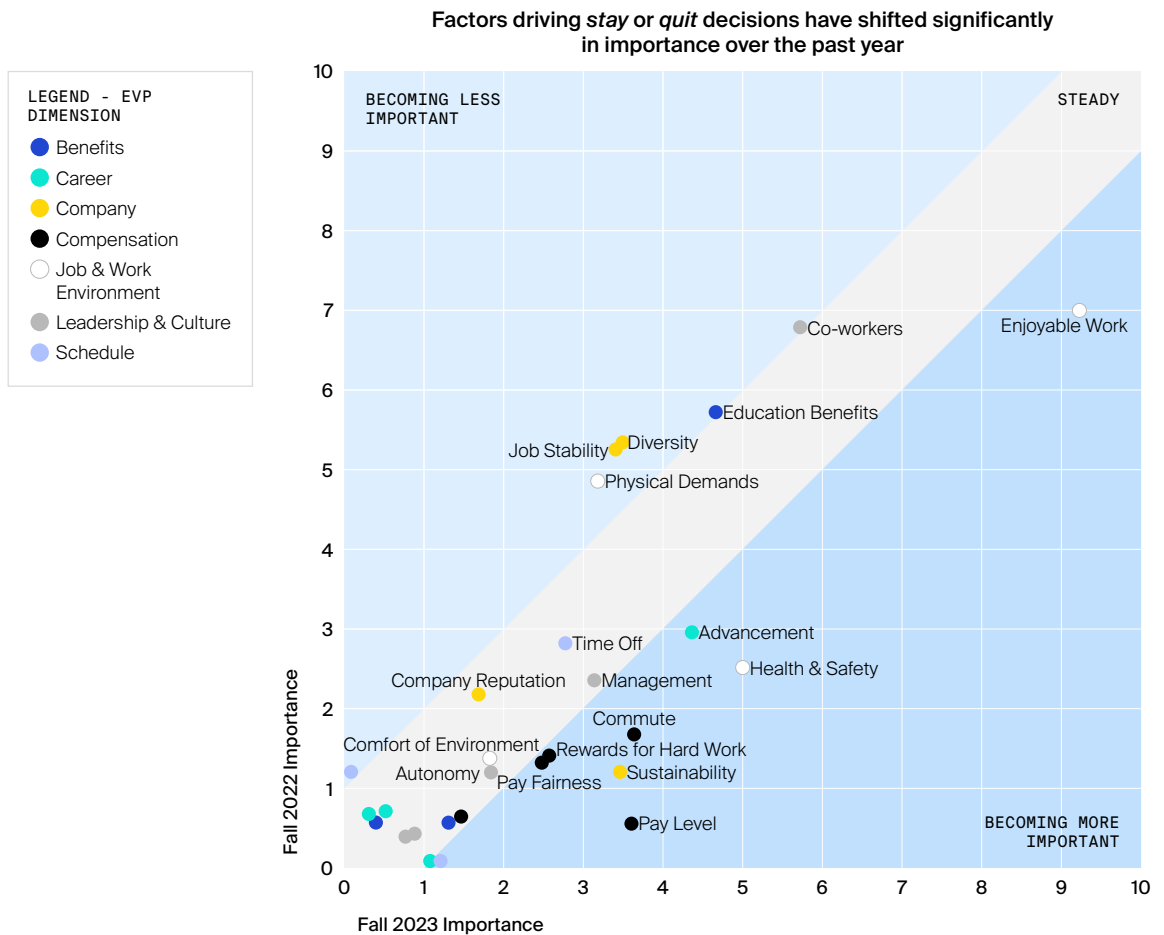


## Changing Workforce Attitudes

As we transition into 2024, it's critical that retailers understand that the factors driving *staying* and *quitting* decisions have shifted significantly over the last 12 months.

- Factors such as **Pay Level Satisfaction**, **Sustainability Practices**, **Commute Time & Ease**, **Health & Safety** feeling valued, and **Enjoyable Work** have become much more important to *stay* or *quit* decisions, while **Job Stability**, **Diversity of the Workforce**, and **Physical Demands** are less important.
  - **Pay Level Satisfaction** increased more than any other factor in predicting *quit* decisions 12 months ago and sits just behind **Advancement Opportunities** as the top turnover driver.
  - **Sustainability Practices** also saw a significant increase in importance to become a top five driver of turnover from having no influence on turnover decisions in 2022.
- **Health & Safety** feeling valued and **Enjoyable Work** increased by ten percentage points each to become two of the top three factors driving retention along with **Co-worker Relationships**.
  - **Health & Safety** made a significant jump to the third overall retention driver, likely due to the impact of shrinkage and organized retail crime.
  - With shrinkage losses of \$112B\* in 2022 and increasing to staggering levels in 2023, ensuring a safe workplace is now a top priority for associates.
- While **Schedule Flexibility** does not predict actual turnover or retention, when flexibility is challenged, associates are increasingly likely to *consider quitting* and become disengaged.

\*NRF Policy Issues - Organized Retail Crime Edition



Change in *Staying* Drivers

- ↑ MORE IMPORTANT
- +10% Health & Safety Feel Valued
- +10% Enjoyable Work
- +6% Pay Fairness
- +5% Commute Length & Ease
- +4% Fair Promotion Practices
- ↓ LESS IMPORTANT
- 17% Pay Level Satisfaction\*
- 13% Comfort of Work Environment\*
- 6% Liking the Culture\*\*
- 5% Job Stability
- 3% Diversity of the Workforce

Increases in the importance of these factors resulted in a greater likelihood to *stay* with their company

\*Previously predicted *staying*, now predicts *quitting*  
 \*\* No longer a predictor of *staying*

Change in *Quitting* Drivers

- ↑ MORE IMPORTANT
- +17% Pay is Too Low
- +13% Uncomfortable Work Environment
- +8% Poor Sustainability Practices
- +7% Lack of Advancement Opportunities
- +6% Not Rewarded for Hard Work
- ↓ LESS IMPORTANT
- 4% Poor Work-life Balance
- 3% Job is Physically Demanding
- 2% Challenges with Childcare Arrangements\*
- 1% Poor / No Education Benefits
- 1% Did Not Help Resume

Increases in the importance of these factors resulted in a greater likelihood to *quit* or *consider quitting* their jobs

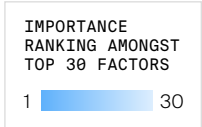
\* No longer a predictor of *quitting*

## Differences by Retail Segment

Decision drivers differ significantly across retailer types. Except for **Enjoyable Work**, which is a top decision driver across the board, the underlying factors driving *stay* and *quit* decisions vary significantly across types of retailers, suggesting a one-size-fits-all approach is sub-optimal to improve retention.

- **Health & Safety** feeling valued is particularly important, a top ten decision driver, for associates in Apparel & Luxury, Grocery & Convenience, and Home Goods & Electronics retailers...
- ...while ensuring associates are scheduled for a **Sufficient Number of Hours** is particularly important to associates in Big Box, Specialty, and Fast Casual retailers.

	Overall	Big Box	Apparel & Luxury	Grocery & Convenience	Home Goods & Electronics	Specialty	Fast Casual & Other
Enjoyable Work	1	1	1	1	3	4	5
Co-workers	2	2	6	6	17	9	15
Health & Safety	3	17	9	9	6	13	24
Education Benefits	4	3	22	8	27	17	26
Advancement	5	12	8	12	12	8	2
Pay Level	6	7	18	25	16	2	14
Commute	7	24	4	5	23	22	30
Sufficient Hours	8	4	27	16	13	1	3
Sustainability	9	13	7	18	18	23	19
Diversity	10	21	10	4	8	21	17
Job Stability	11	27	17	10	4	14	28
Physical Demands	12	18	3	7	21	15	1
Management	13	20	12	11	14	3	9
Time Off	14	16	24	17	30	29	22
Rewards for Hard Work	15	8	20	3	1	5	16
Pay Fairness	16	6	30	27	29	26	8
Autonomy	17	19	5	13	7	7	6
Comfort of Environment	18	25	29	24	26	11	10
Company Reputation	19	15	28	2	5	16	18
Raises and Bonuses	20	11	11	14	28	18	21
Health Benefits	21	10	26	22	19	30	23
Schedule Flexibility	22	30	21	19	10	20	11
Other Benefits	23	26	19	20	22	10	20
Promotion Fairness	24	23	15	15	24	12	13
Culture	25	14	23	23	11	6	29
Inclusion / Belonging	26	9	16	30	9	27	12
Training & Development	27	29	25	26	2	24	27
Childcare	28	22	14	21	15	28	25
Resume Builder	29	28	13	29	25	19	7
Work-life Balance	30	5	2	28	20	25	4



Note:

Apparel & Accessories (n=137) and Luxury Apparel & Goods (n = 26) were combined;

Grocery (n = 161) and Convenience Store (n = 66) were combined;

Home Goods (n = 65) and Electronics (n = 42) were combined;

Fast Casual (n = 24) and Other (n = 43) were combined;


Specialty includes beauty, wellness, gifts, books, etc.





## Impact of Workforce Characteristics


Demographics and other situational characteristics are far less important to *stay* or *quit* decisions than attitudes toward the 30 underlying EVP factors; however, we find a few small differences across groups regarding which of the 30 factors influence decisions.

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**Age**

  - **Job Stability, Company Reputation, Health Benefits,** and **Health & Safety** feeling valued have lower importance to the 18-24 age cohort
  - **Advancement Opportunities** and **Education Benefits** have lower importance to the 65+ age cohort


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**Race**

  - Black or African American retail associates give higher priority to **Childcare Arrangements, Education Benefits, Sustainability Practices,** and **Diversity of the Workforce** when making decisions to *stay* or *quit*


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**Gender**

  - Women rate **Sustainability Practices, Diversity of the Workforce,** and **Physical Demands** as more important


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**Education**

  - **Childcare Arrangements** is a top priority for those with high school-equivalent degrees
  - Younger, college-educated respondents found **Co-worker Relationships** to be least important


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**Tenure**

  - **Company Reputation** is a top priority for cohorts that have 9 or more years of tenure

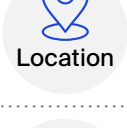
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**Hours Per Week**

  - Full-time workers (30+ hours) found **Fair Promotion Practices, Training & Development Opportunities,** and **Ability to Take Time Off** to be very important
  - Part-time workers found **Health Benefits** and **Ability to Take Time Off** to be least important


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**Location**

  - **Education Benefits & Childcare Arrangements** are most important for workers in urban areas


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**Commute**

  - No relationship found

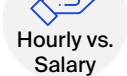
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**People Management Responsibility**

  - **Advancement Opportunities, Training & Development Opportunities,** and **Fair Promotion Practices** were most important to those who managed others

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**Hourly vs. Salary**

  - **Company Reputation, Liking the Culture, Co-worker Relationships,** and **Health & Safety** feeling valued were most important to salaried workers

Univariate correlations were greater than 0.15 for all of the items listed above



## Key Takeaways for Retailers

- Talent strategies for the retail workforce have a short shelf life and must evolve at the pace of changing preferences to remain relevant.
- More retail associates are *staying*, but there are also more with “one foot out the door” than in 2022.
- Talent strategies must be comprehensive, but some factors matter more in creating a compelling Employee Value Proposition, such as the Job & Work Environment, Company, and Leadership & Culture.
- Retailers must deploy offensive and defensive strategies that simultaneously address unique retention and turnover drivers.
- Decision drivers differ significantly across retailer types suggesting that a one-size-fits-all approach to the Retail EVP is sub-optimal to improve retention.
- Attitudes towards the EVP factors are better predictors of *stay* or *quit* decisions than demographics and situational characteristics.
- Promoting practices that prioritize associate health and safety is especially critical to the retention of associates in Apparel & Luxury, Grocery & Convenience, and Home Goods & Electronics.
- Setting clear expectations about the number of hours and scheduling policies and creating sufficient flexibility can minimize “triggering” turnover intentions.



### ABOUT US

Lotis Blue Consulting drives growth and transformation through a unique blend of services that improve the performance of people, teams and organizations. With a foundation in behavioral science and advanced analytics, we delve deep, offering personal attention and analytical rigor to uncover, define, and implement the smartest path forward. Our mission is transform your most ambitious visions into clear and sustainable realities.

200 WEST ADAMS STREET  
CHICAGO, ILLINOIS 60606

[WWW.LOTISBLUECONSULTING.COM](http://WWW.LOTISBLUECONSULTING.COM)



The National Retail Federation, the world's largest retail trade association, passionately advocates for the people, brands, policies and ideas that help retail thrive. From its headquarters in Washington, D.C., NRF empowers the industry that powers the economy. Retail is the nation's largest private-sector employer, contributing \$3.9 trillion to annual GDP and supporting one in four U.S. jobs — 52 million working Americans. For over a century, NRF has been a voice for every retailer and every retail job, educating, inspiring and communicating the powerful impact retail has on local communities and global economies.

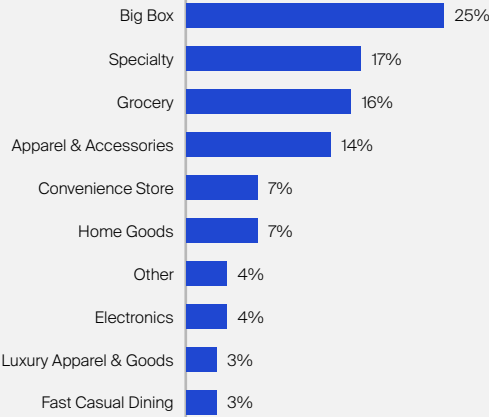
[www.nrf.com](http://www.nrf.com)



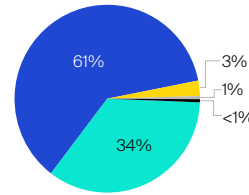
# Demographics

Our study surveyed over 1,000 retail associates on the most important factors driving their decision to stay or quit a job. Sampled characteristics include:

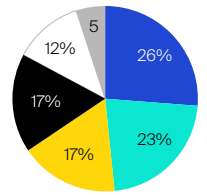
## 700 Retailers Represented



## Gender

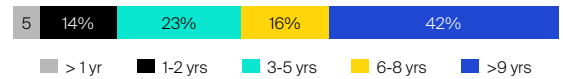


## Age

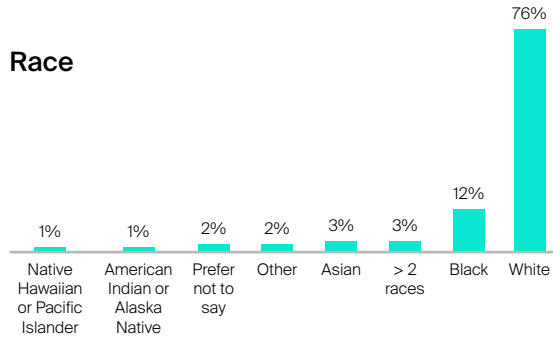


■ = Female ■ = Prefer to self-describe ■ = 18 - 24 ■ = 45 - 54  
■ = Male ■ = Prefer not to disclose ■ = 25 - 34 ■ = 55 - 64  
■ = Non-Binary ■ = 35 - 44 ■ = 65 or older

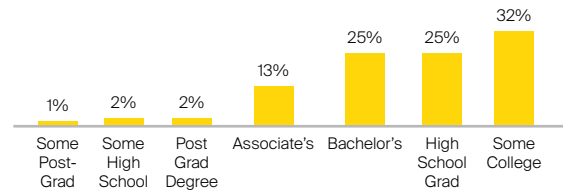
## Tenure in Retail Overall



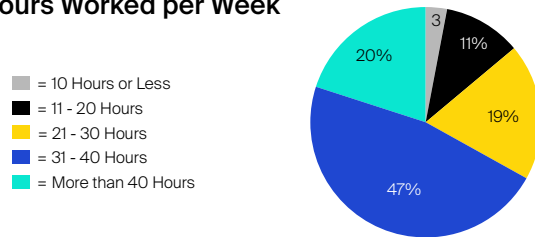
## Race



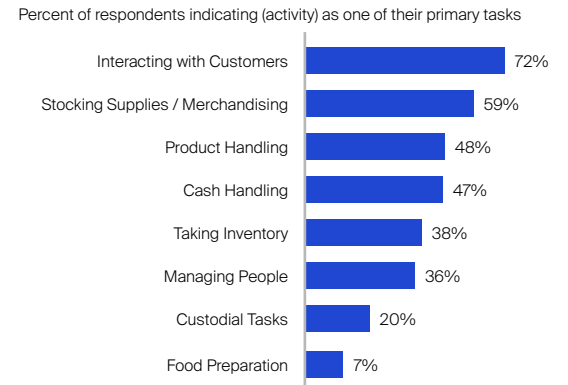
## Education



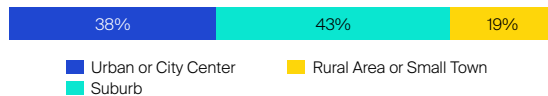
## Hours Worked per Week



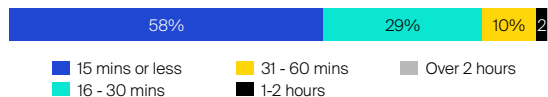
## Responsibilities



## Location of Participants



## Commute Time



## Hourly vs. Salary

